

in any material respect, and such notice describes said deficiencies with reasonable specificity (the "Substandard Report"), then Finisher will have until six (6) months after its receipt of the Substandard Report to (a) correct any deficiencies described in Substandard Report which remain in existence, and (b) bring its production up to the Standards. If Finisher fails to correct such deficiencies and bring its production up to Standards within such six (6) month period, then Excel shall have the right to terminate this Agreement upon thirty (30) days' written notice to Finisher if such notice is delivered before all such deficiencies have been corrected. In addition, no carcass merit program premiums will be paid for market hogs delivered after the date of the Substandard Report until such time as such deficiencies have been fully corrected. If Finisher disputes the existence of any deficiency described in a Substandard Report, Finisher and Excel shall meet within fifteen (15) working days after receipt of the Substandard Report by Finisher to resolve the dispute. If both parties agree (or it is otherwise determined) that none of the deficiencies described in the Substandard Report were in existence at the time the Substandard Report was issued, then the carcass merit program premiums will be immediately payable with respect to all. Market hogs delivered since the date of the Substandard Report as if such Substandard Report had never been issued.

9. This Agreement and the rights of the parties under this Agreement shall be governed by and construed in accordance with the laws of the State of Iowa, notwithstanding its conflicts of law rules. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled solely and exclusively by binding arbitration conducted in Cedar Rapids, Iowa in accordance with the then governing rules of the American Arbitration Association ("AAA"). The parties shall use reasonable efforts to appoint one (1) mutually acceptable arbitrator. If the parties cannot mutually agree on an arbitrator within thirty (30) days of the notice of arbitration, each party shall appoint one (1) arbitrator, and these two (2) arbitrators shall select a third. If the two (2) arbitrators fail to appoint a third arbitrator within fifteen (15) days after the appointment of the second arbitrator, then the third arbitrator shall be appointed by the AAA at the request of either party. Any decision resulting from such arbitration proceeding shall be final and binding upon the parties hereto without right of appeal. Judgment upon any such decision may be entered in any court having jurisdiction thereof, or application may be made to such court for a judicial acceptance of the fees incurred in arbitration, and the parties shall share the costs of the arbitration proceeding equally.

10. If Excel closes, transfers, or sells all of the hog slaughter operations, Excel shall have the right to terminate this Agreement upon sixty (60) day's notice.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.